THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) yes, Sir.

(b) Reserve Bank of India (RBI) will consider requests from the depositors of the bank to allow withdrawal of deposits in excess of the limit of Rs. 5000/- for various personal and other reasons on a case-to-case basis depending upon their genuineness.

(c) RBI has prepared a draft scheme of amalgamation the Nedungadi Bank Ltd. with Punjab National Bank which has been sent to both these Banks for their comments.

(d) and (e) In terms of the provisions of Section 45L read with Section 45H of the Banking Regulation Act, 1949, where a scheme of amalgamation of a banking company has been sanctioned by the Central Government under Section 45 of the Act *ibid*, the Central Government may initiate an application under Section 543 of the Companies Act, 1956 for assessing damages against delinquent Directors. The Central Government would consider initiating such application in the case of the Nedungadi Bank Ltd., as and when a scheme of amalgamation of the Bank is sanctioned.

Criteria for posts of chairman of RRBs

†1404. SHRI D.P. YADAV: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) what are the selection-criteria for the posts of Chairman of Regional Rural Banks;

(b) whether the Department of Banking has agreed upon the selection criteria mentioned in the attached circular of national banks;

(c) if so, whether these criteria were followed in the pre-selection of Chairman, Regional Kisan Gramin Banks, Mainpuri, Uttar Pradesh; and

(d) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) The Sponsor Banks appoint Chairmen of Regional Rural Banks

†Original notice of the question was received in Hindi.

with prior approval of National Bank for Agriculture and Rural Development (NABARD) in case the person is an officer of the sponsor Bank and with the prior approval of Central Government in any other case as provided under section 11(1) of the RRBs Act, 1976. Further, the sponsor Banks have to follow guidelines/parameters issued by NABARD in consultation with Government of India from time to time for selection of Chairmen of RRBs.

(c) and (d) The appointment of the Chairman of Kshetriya Kisan Gramin Bank, Mainpuri, Uttar Pradesh was made by the sponsor Bank *i.e.* U.P. Cooperative Bank Ltd. with prior approval of Central Government in consultation with NABARD.

Liquidation of sick companies

1405. SHRI PRASANTA CHATTERJEE: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether liquidation of sick companies within six months of winding them up is proposed to be made mandatory; and

(b) if so, the details thereof and the reasons therefor?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) No, Sir.

(b) Does not arise.

Bar on companies from raising cheap capital

1406. SHRI P.K. MAHESHWARI: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Department of Company Affairs has decided to set up a Committee to look into the demand of banks to bar companies from raising cheaper capital by accepting deposits;

(b) if so, the reasons for barring companies from raising cheaper capital by accepting deposits and accept the demand of the banks;

(c) whether Government would reconsider their stand; and

(d) if not, the reasons therefor?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) No, Sir. However, a Committee has been set up to examine the issue of "insurance of deposits".

(b) to (d) Does not arise.